

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101

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IN THE MATTER OF:

PAUL D'IORIO
(CRD # 2594623)

Respondent.
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CONSENT ORDER

WHEREAS:

1. At all relevant times herein, Paul D'Iorio ("D'Iorio") was registered with the New Jersey Bureau of Securities (the "Bureau") as an agent of On-Line Investment Services, Inc. ("On-Line").
2. Beginning in or about February 1998, D'Iorio opened and began trading securities in an On-Line customer account for one Connie Natale. D'Iorio had written, discretionary authority to trade securities in this account on behalf of Connie Natale.
3. Beginning in or about February 1998, D'Iorio opened and began trading securities in an On-Line customer account for one John Natale. D'Iorio did not have written, discretionary authority to trade securities in this account on behalf of John Natale.
4. D'Iorio made numerous securities transactions in John Natale's account without prior authorization from John Natale.
5. D'Iorio had an agreement with John Natale which entitled D'Iorio to a 50% commission of any and all profits earned in the the two Natale accounts.
6. It is a violation of National Association of Securities Dealers (NASD) Conduct Rule 2330(f) for an agent to share in the profits of his customer.

7. During the relevant period of time, D'Iorio was paid approximately \$152,000 by Natale, as his commission, as described in paragraph 5 herein. The payments to D'Iorio were usually on a monthly basis, and were drawn on the account of CAJ Trading at PNC Bank.

8. On March 3, 2000, John Natale, CAJ Trading, Cambridge Partners, L.P. and Cambridge Partners II, L.P. (the "Natale defendants") entered into a Consent Judgment with the Bureau in which the Natale defendants admitted to numerous violations of New Jersey's Uniform Securities Law, N.J.S.A. 49:3-47, et seq. (the "Securities Law").

9. As part of the Consent Judgment a Receiver was appointed to marshal all assets belonging to the Natale defendants.

10. D'Iorio has at all times been cooperative with Bureau and the Receiver in this matter.

THEREFORE, the Bureau hereby finds that:

- a) During the relevant period of time, D'Iorio has violated the Securities Law;
- b) An order suspending D'Iorio's registration as an agent would be in the public interest;
- c) Good cause has been shown to suspend D'Iorio's registration as an agent because he

has violated N.J.S.A. 49:3-58(a)(ii) and (vii);

THEREFORE, it is on this 22nd day of August 2002,

ORDERED, that D'Iorio's registration as an agent be suspended for one year from the execution of this order. This suspension shall preclude D'Iorio from, *inter alia*, proprietary trading on behalf of others.

IT IS FURTHER ORDERED, that D'Iorio disgorge his share of the profits in the Natale On-Line accounts, that is \$152,000.

IT IS FURTHER ORDERED, that D'Iorio is assessed a civil monetary penalty in the

amount of \$10,000. This penalty shall be due within two-hundred (200) days from the execution of this order. However, should D'Iorio turn over the disgorged profits, that is \$152,000, to the Receiver for the Natale defendants by February 1, 2003, then the civil monetary penalty shall be suspended.

IT IS FURTHER ORDERED, that D'Iorio shall cease and desist from further violations of the New Jersey Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., and the regulations promulgated thereunder in N.J.A.C. 13:47A-1.1 et seq.

FAILURE TO COMPLY with the Uniform Securities Law and the regulations may result in the entry of an administrative order, commencement of an action for injunctive relief, judgment and/or such other relief as may be provided at law.

Dated: August 22, 2002

By: Franklin L. Widmann
Franklin L. Widmann
Chief, N.J. Bureau of Securities

PAUL D'IORIO

Paul D'Iorio hereby consents to the form and entry of this Consent Order. He hereby undertakes that he will comply with the Uniform Securities Law (1997), as amended, L. 1997, c.93, N.J.S.A. 49:3-47 et seq., and the regulations promulgated thereunder in N.J.A.C. 13:47A-1.1 et seq.

Dated: 8/9/02

By: Paul D'Iorio
Paul D'Iorio